

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 		Printed Name		License Number

**District Court Funds of District No. 17  
Charter Township of Redford  
Wayne County, Michigan**

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**Financial Report  
with Supplemental Information  
March 31, 2007**

# **District Court Funds of District No. 17**

## **Charter Township of Redford**

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## Independent Auditor's Report

To the Judges of the 17<sup>th</sup> District Court  
Charter Township of Redford  
Wayne County, Michigan

We have audited the accompanying basic financial statements of District Court Funds of District No. 17 (a component unit of the Charter Township of Redford, Michigan) as of March 31, 2007. These financial statements are the responsibility of the management of District Court No. 17, Charter Township of Redford. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of District Court Funds of District No. 17, Charter Township of Redford as of March 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

June 29, 2007

# District Court Funds of District No. 17

## Charter Township of Redford

### Management's Discussion and Analysis

Our discussion and analysis of District Court Funds of District No. 17, Charter Township of Redford's financial performance provides an overview of the District Court's financial activities for the fiscal year ended March 31, 2007. Please read it in conjunction with the District Court's financial statements.

#### Using this Financial Report

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are Agency Funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

#### The District Court as a Whole

The following table shows, in a condensed format, the assets and liabilities as of March 31, 2007 and compared to the prior year:

	2007	2006
<b>Assets - Cash and cash equivalents</b>	<b><u>\$ 761,274</u></b>	<b><u>\$ 607,532</u></b>
<b>Liabilities</b>		
Returnable bonds	\$ 226,989	\$ 159,140
Due to State Treasurer	109,873	99,846
Due to District Control Unit	409,623	333,718
Due to other governmental units	7,416	8,413
Due to Secretary of State	<u>7,373</u>	<u>6,415</u>
Total liabilities	<b><u>\$ 761,274</u></b>	<b><u>\$ 607,532</u></b>

The District Court's combined assets and liabilities increased 25 percent from a year ago - increasing from \$607,532 to \$761,274. This increase is due to an aggressive court collection program. Defendants who fail to pay within the given time limits are mailed a showcause hearing notice. Failure to appear or pay by the scheduled showcause court date results in a bench warrant being issued for the defendant's arrest. Finally, a collection notice is generated and the warrant team is sent to the defendant's home.

# **District Court Funds of District No. 17**

## **Charter Township of Redford**

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### **Management's Discussion and Analysis (Continued)**

#### **Contacting the District Court's Management**

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly.

# District Court Funds of District No. 17

## Charter Township of Redford

### Balance Sheet March 31, 2007

	Trust and Agency Account	Bond Account
<b>Assets - Cash and cash equivalents</b>	<b><u>\$ 531,785</u></b>	<b><u>\$ 229,489</u></b>
<b>Liabilities</b>		
Returnable bonds	\$ -	\$ 226,989
Due to State Treasurer	109,873	-
Due to District Control Unit	407,123	2,500
Due to other governmental units	7,416	-
Due to Secretary of State	<u>7,373</u>	<u>-</u>
Total liabilities	<b><u>\$ 531,785</u></b>	<b><u>\$ 229,489</u></b>

# **District Court Funds of District No. 17**

## **Charter Township of Redford**

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**Notes to Financial Statements**  
**March 31, 2007**

### **Note 1 - Significant Accounting Policies**

The funds of District Court No. 17, Charter Township of Redford (the "District Court") are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

### **Note 2 - Cash**

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District Court is allowed to invest in bonds securities and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The District Court has designated one bank for the deposit of District Court funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government, bank accounts and CDs, and such obligations, bonds, and securities as permitted by the statutes of the State of Michigan.

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$523,697 of bank deposits (checking accounts) that were uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.



# District Court Funds of District No. 17

## Charter Township of Redford

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**Notes to Financial Statements**  
**March 31, 2007**

### **Note 2 - Cash (Continued)**

**Credit Risk** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The District Court has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Comerica J-Fund	\$ 130,785	AI, PI	S&P, Moody's

## **Supplemental Information**

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# **District Court Funds of District No. 17**

## **Charter Township of Redford**

### **Schedule of Cash Receipts and Disbursements**

#### **Year Ended March 31, 2007**

	Trust and Agency Account	Bond Account
<b>Cash and Cash Equivalents - April 1, 2006</b>	<b>\$ 446,643</b>	<b>\$ 160,889</b>
<b>Receipts</b>		
Fines, fees, and court costs	4,616,103	-
Bonds posted	-	1,083,777
Restitution	-	60,965
Work programs	62,028	-
Intensive supervision/probation and community service	191,588	-
Alcohol screening	26,152	-
Building fund	414,291	-
Interest	3,728	2,500
Total receipts	5,313,890	1,147,242
<b>Disbursements</b>		
Transfers to District Control Unit	3,827,613	1,749
State Treasurer	1,239,185	-
Secretary of State	68,873	-
Other governmental units	92,000	-
Bond forfeitures and transfers	-	845,563
Bond returns	-	171,241
Restitution	-	60,089
Bonds reinstated	1,077	-
Total disbursements	5,228,748	1,078,642
<b>Cash and Cash Equivalents - March 31, 2007</b>	<b><u>\$ 531,785</u></b>	<b><u>\$ 229,489</u></b>